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2 TUESDAY FEBRUARY 3, 1976

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THE NATIONAL INTELLIGENCE DAILY [REDACTED]

TUESDAY FEBRUARY 3, 1976 3

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4 TUESDAY FEBRUARY 3, 1976

THE NATIONAL INTELLIGENCE DAILY

Human Rights Issue Obstructs Aid to Chile

International protests of alleged abuses of human rights are not helping Chile's financial difficulties. Not only is Chile having trouble securing new financial assistance, but the U.K., Italy, Sweden, the Netherlands, and Denmark are also pressing for full payment of 1975 debt obligations of more than \$45 million. The Danish director of the World Bank is opposing a \$33-million copper-development loan.

Because of the hostility of many of its creditors, Santiago has decided to avoid renegotiating its 1976 obligations and has begun payments. More than 70 percent of the 1976 payment of \$790 million consists of renegotiated loans and compensation for earlier nationalizations.

Chile's usual sources of bilateral economic aid have all but dried up, and multilateral assistance has been hampered by the political pressures. Chile's financial situation precludes possible help from private commercial sources despite efforts to rebuild its international credit rating.

Although world copper prices are expected to rise a little this year, Chile will have great difficulty meeting its 1976 debt obligations as well as covering an anticipated current-account deficit.

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